

TRADING UPDATE – 9 JANUARY 2018

Persimmon plc announces the following update ahead of its Final Results for the year ended 31 December 2017, which will be released on 27 February 2018.

Revenues for 2017 of £3.42bn were 9% higher than the prior year (2016: £3.14bn) with legal completion volumes strongly ahead by 872 new homes (6% increase) to 16,043 (2016: 15,171). The Group's average selling price increased by 3% to c. £213,300 (2016: £206,765).

Since the launch of our Group strategy in 2012 we have made a significant contribution to increasing UK housing supply by opening 1,189 new selling outlets and delivering 80,726 new homes to the market during which time we have increased our annual production by over 70%.

We continued to experience healthy customer demand for new homes through the autumn sales season and the value of our forward sales at 31 December 2017 of c. £1,355m was 10% ahead of the prior year (2016: £1,234m). Second half legal completion volumes of 8,249 were 455 stronger than for the first half of the year (H1: 7,794), an increase of 6%.

We anticipate our pre-tax profits for the year will be modestly ahead of market consensus.

The Group continues to pursue disciplined high-quality growth in its regional markets in support of the Government's desire to increase housing supply across the UK. We opened a new operating business in Mansfield, north of Nottingham, on 2 January 2017 which has made good progress, legally completing 373 new homes in 2017. In addition, on 2 January 2018, we launched a new business based near Ipswich in Suffolk to improve our operational capability and supplement our existing operations in the east of England. Over the last three years we have opened 6 new offices, raising the number of regional house building businesses within the Group from 24 to 30 demonstrating our commitment to increasing supply where there is good demand and we will continue to explore opportunities for further growth.

The Group successfully opened 197 new sales outlets during the year and is building on all sites which have an implementable planning consent. The Group now has 375 active sales outlets which we anticipate will provide good support to sales moving into the 2018 spring selling season.

We have made excellent progress in expanding our manufacturing capabilities to support our desire to achieve sustainable growth. Our new brick manufacturing plant in Harworth, near Doncaster, is now complete and deliveries of bricks to site have commenced, underpinning

our ability to increase house building volumes. The Group's Space4 insulated frame build-system is also an important contributor to our overall construction capacity and we anticipate further investment in expanding this capability over the coming years.

We continue to invest for future growth and have acquired c. 17,300 plots of new land at excellent margins in over 80 locations throughout the UK during the year. We remain mindful of market risks including those associated with the uncertainty arising from the UK leaving the EU. However, we are keen to deliver further improvement in our housing output and remain ready to invest wherever the local planning environment is supportive.

The Group continues to perform strongly in generating free cash and held cash balances of c. £1,300m at 31 December 2017 (2016: £913m).

We will provide further details and give an update on our assessment of the housing market over the early weeks of 2018 when we announce our results for the year ended 31 December 2017 on Tuesday 27 February 2018.

Please Note

There will be a call for analysts at 09.00 GMT today. Please use the dial-in details below:

Telephone number : +44 (0)33 3300 0804
Access pin : 81885462#
Passcode : Persimmon

An audiocast of the call will be available on www.corporate.persimmonhomes.com

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